

# City of Detroit

## CITY COUNCIL

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ANNE MARIE LANGAN  
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TO: Shawny DeBerry, Director  
Municipal Parking Department

FROM: Irvin Corley, Jr., Fiscal Analysis Director **ly.**

DATE: May 5, 2009

RE: 2009-2010 Budget Analysis

Attached is our budget analysis regarding your department's budget for the upcoming 2009-2010 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing on **Thursday, May 7, 2009 at 2:30 p.m.** We would then appreciate a written response to the issues/questions at your earliest convenience subsequent to your budget hearing. Please forward a copy of your responses to the Councilmembers and the City Clerk's Office.

Please contact us if you have any questions regarding our budget analysis.

Thank you for your cooperation in this matter.

IC:ss

Attachment

cc: Council Members  
Council Divisions  
Auditor General's Office  
Joseph Harris, Chief Financial Officer  
Pamela Scales, Budget Director  
Ron Chenault, Budget Department Team Leader  
Arese Robinson, Mayor's Office

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## **Municipal Parking (34)**

### **FY 2009-2010 Budget Analysis by the Fiscal Division**

#### **Summary**

The Municipal Parking Department (MPD) is comprised of two divisions: The Automobile Parking Division (APD) and the Parking Violations Bureau (PVB). The APD is an enterprise fund division and is responsible for planning, supervising, operating and maintaining the City's Auto Parking and Arena Systems. The PVB is a general fund division and is accountable for enforcement of on street parking ordinances within the City of Detroit and the processing and collection of parking violation notices.

The Mayor's 2009-2010 Proposed Budget includes appropriations of \$37,907,733 for the MPD, which is a decrease of \$2,390,610 (or 5.9%) from fiscal year 2008-2009 budget of \$40,298,343. The proposed budget also includes revenue of \$42,830,433, which is a decrease of \$838,894 (or 1.9 %) from fiscal year 2008-2009 budget of \$43,669,327. Total revenue is expected to exceed expenses by \$4,922,700.

#### **Goals, Objectives, and Major Initiatives**

The overall mission and goals for the MPD for fiscal year 2008-2009 are:

- Maximize the collection of unpaid parking tickets.
- Increase parking facility revenue through strategic marketing efforts.
- Implement Customer Service Excellence Training Program.
- Develop and implement a comprehensive communications and public relations plan.
- Utilize new technology techniques to provide efficient statistical reporting and parking.

The major initiatives for the APD include:

- Improve operational efficiency and effectiveness.
- Reduce costs.
- Implement control steps to achieve overall accountability.
- Improve business and customer value.

The major initiatives for the PVB division include:

- Improve vehicular and pedestrian safety by expanding hours of operation during special events to be held from April through September.
- Improve productivity, customer service, and public education.
- Request proposals for processing tickets and collecting payments of fines.

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### FY 2009-2010 Budget Analysis by the Fiscal Division

#### 2008-2009 Surplus/(Deficit)

The estimated deficit in the MPD for FY 2008-2009 is \$1,545,000, which is composed of an appropriation surplus of \$569,000 due to vacancies and a revenue deficit of \$2,114,000 in parking fines.

#### Overtime

The Mayor's 2009-2010 Proposed Budget includes \$51,000 for overtime in the MPD. For fiscal year 2008-2009, budgeted overtime is \$83,000. As of March 31, 2009, the MPD has expended \$34,138 or 41.1% of the fiscal year 2008-2009 overtime budget.

#### Employee Turnover Savings

The Mayor's 2009-2010 Proposed Budget does not include any employee turnover savings from the Municipal Parking Department.

#### **Municipal Parking (34)**

Budgeted Professional and <u>Contractual Services by Activity</u>	FY 2008-09 <u>Budget</u>	FY 2009-10 <u>Recommended</u>	Increase <u>(Decrease)</u>
Automobile Parking Division	\$ 5,111,300	\$ 4,361,300	\$ (750,000)
Parking Violations Bureau	<u>3,675,000</u>	<u>3,536,134</u>	<u>(138,866)</u>
<b>Total</b>	<b>\$ 8,786,300</b>	<b>\$ 7,897,434</b>	<b>\$ (888,866)</b>

#### Proposed Layoffs and Position Changes

The Mayor's Proposed Budget for 2009-2010 does not include any layoffs. The Mayor is proposing a reduction of four vacant positions in the Parking Violation Bureau.

<u>Appropriation/Program</u>	<u>Redbook Positions FY 2008-09</u>	<u>Filled Positions 3/31/2009</u>	<u>Mayor's Budget Positions FY 2009-10</u>	<u>Over/(Under) Actual to 08/09 Budget</u>	<u>Mayor's Recommended Turnover</u>
<b>Municipal Parking (34):</b>					
340080 Violation Bureau Gen. Ofc. & Audits	5	5	5	0	\$ -
340090 Enforcement Unit	61	54	57	(7)	\$ -
<b>00102 Parking Violations Bureau</b>	<b>66</b>	<b>59</b>	<b>62</b>	<b>(7)</b>	<b>\$ -</b>
340010 Administration	21	19	21	(2)	\$ -
340020 Maintenance	14	12	14	(2)	\$ -
340040 Meter Maintenance	6	6	6	0	\$ -
340050 Meter Collection	11	10	11	(1)	\$ -

## Municipal Parking (34)

### FY 2009-2010 Budget Analysis by the Fiscal Division

04108 Operation & Maintenance	52	47	52	(5)	\$	-
34XXXX Worker's Compensation	0	(2)	0	(2)	\$	-
34XXXX Leave of Absence	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	\$	-
<b>TOTAL</b>	<b><u>118</u></b>	<b><u>104</u></b>	<b><u>114</u></b>	<b><u>(14)</u></b>	<b>\$</b>	<b><u>-</u></b>

### Significant Changes in Funding by Appropriation

<u>Appro</u>	<u>Program</u>	
06244	Trustee and Contingency Reserve	The appropriation for Trustee and Contingency Reserve decreased \$810,383.
00102	Parking Violations Bureau	The appropriation for Parking Violations Bureau decreased \$786,757. The decrease is the result of a reduction in salary cost of \$168,596, \$138,866 in professional services, \$7,068 in operating supplies, \$105,498 in operating services, \$358,000 in other expenses, and \$17,940 in capital equipment; the decrease is partially offset by an increase in employee benefits of \$9,211. Positions decrease by four.

### Significant Revenue Changes by Appropriation

<u>Appro</u>	<u>Program</u>	
04108	Operation and Maintenance	Operation and Maintenance revenue decreased \$240,853 due to a reduction in transfers from other funds.
05976	Auto Parking Operations	Auto Parking Operations revenue decreased \$1,363,000. The decrease is the result of a reduction in earnings on investments of \$1,128,000, \$415,000 in parking facilities revenue, and \$252,000 in other concessions; the decrease is partially offset by an increase in ticket service – Joe Louis Arena of \$432,000.
00102	Parking Violations Bureau	Parking Violations Bureau revenue increased \$764,959. The increase is a result of increase in Parking Fines of \$755,959 and in parking fine refunds of \$9,000.

## **Municipal Parking (34)**

### **FY 2009-2010 Budget Analysis by the Fiscal Division**

#### **Issues and Questions**

1. Why are facilities parking revenue expected to decrease?
2. Will overtime increase with extended evening and weekend hours since four positions are eliminated?
3. Why are transfers from other funds expected to decrease?
4. Why is contingencies under Appropriation 06244 – Trustee and Contingencies Revenue – decreasing \$810,383, which is a 51.2% decrease compared to the 2008-2009 budget?
5. Why are salaries expected to increase in the Automobile Parking Division?
6. Why is Parking Fines revenue expected to deficit by \$2.1 million in the current fiscal year?
7. Why is Parking Fines revenue expected to increase by \$765,000 when this revenue is showing a \$2.1 million deficit this year, and the bureau loses three parking enforcement officers?